



**STATEMENT BY BART RUTH, FIRST VICE PRESIDENT
AMERICAN SOYBEAN ASSOCIATION**

before the

**COMMITTEE ON AGRICULTURE
U.S. HOUSE OF REPRESENTATIVES**

March 29, 2001

Good morning, Mr. Chairman and Members of the Committee. I am Bart Ruth, a soybean and corn farmer from Rising City, Nebraska. I serve as First Vice President of the American Soybean Association, and as Chairman of our Public Affairs Committee. Accompanying me is ASA Chairman Marc Curtis from Leland, Mississippi. ASA represents 27,000 producer members on national issues of importance to all U.S. soybean farmers. In addition to ASA, we appear today on behalf of the National Sunflower Association and the U.S. Canola Association.

Before beginning our statement, I would like to express our appreciation to you, Mr. Chairman, for conducting these hearings on domestic farm policy alternatives for the next Farm Bill. We believe this is an excellent process through which Members of the Committee can become familiar with the thinking of the producers that ASA and other farm organizations represent. We look forward to working closely with your Committee and your staff in developing effective long-term legislation.

Mr. Chairman, the Committee has asked us to develop and present specific recommendations on domestic farm policy, and to identify impacts our proposals would have on producers of oilseeds and other crops, on government outlays, and on U.S. obligations under the World Trade Organization. To this end, our organizations have engaged in an intensive effort over the past six months to identify program options and to analyze their various effects.

I would like to first briefly describe the policy environment facing U.S. oilseed producers in recent years, and its impact on our consideration of various policy alternatives. I will then present our specific recommendations, together with the results of our analysis.

Oilseeds and the FAIR Act

Prior to the FAIR Act, soybeans and other oilseeds had a loan program, but oilseed producers did not receive income support payments, nor were they required to comply with acreage reduction requirements, or set-asides. There was a clear division between program crops grown on a farm's base acres, on which income support was determined, and oilseeds and other non-program crops grown on non-base acres.

The FAIR Act eliminated this division by allowing unrestricted planting flexibility between program and non-program crops, excluding fruits and vegetables. The only remaining difference is Production Flexibility Contracts, under which farmers who grew program crops in the early 1990's receive AMTA payments that reflect pre-FAIR Act income support payments. The authors of the FAIR Act scheduled these payments to gradually decline, and anticipated they could eventually be eliminated as producers transitioned to full dependence on the marketplace.

The FAIR Act's Unfinished Agenda

The authors of the FAIR Act did not expect the transition from government-dependence to market-orientation to take place solely as a result of changes in domestic farm policy. They made clear that the overall economic and trade environment of U.S. agriculture needed to be changed to reduce production costs and enhance the competitiveness of U.S. farm exports. The list of these policy commitments is well known to the Committee. It includes:

- A more aggressive policy on agricultural trade issues, including insisting on fair access to foreign markets, opposing unfair import barriers, and pursuit of increased trade liberalization in multilateral, regional, and bilateral negotiations;
- Full use of legitimate export assistance and market promotion authorities, including funds provided for credit guarantees authorized under the Export Credit and Supplier Credit Guarantee Programs, and increased funding for the Foreign Market Development and Market Access Programs;
- Expanded programming of humanitarian assistance under U.S. food aid programs, including P.L. 480, Food for Progress, Section 416, and other authorities;
- Meaningful reform of U.S. unilateral economic sanctions on agricultural exports based on foreign policy, national security, or short supply reasons;
- Support for increased use of U.S. agricultural commodities in domestic industrial markets, such as biofuels, and for expanded opportunities for producers to become involved in value-added processing activities;

- A substantial increase in funding for agricultural research;
- Improvements in the tax code, including elimination below and increased threshold of estate taxes, establishment of FFARRM accounts, full deductibility of health insurance and medical expenses for small businesses, and reduction of the capital gains tax; and,
- Relief from regulations that impose uncompensated costs on agriculture.

There has been incremental progress in several of these areas in the past four years. However, the need to address agriculture's unfinished agenda as a top national priority is evidenced by the desperate situation in the farm economy today. Prices for most major commodities are so low that 30 percent of gross farm income, and 60 percent of net farm income, was received last year in the form of government payments. Unless there is a substantial and unexpected expansion in world demand or shortfall in world agricultural production, these conditions are likely to continue for at least the next several years.

We appreciate that renewed efforts are underway in the new Congress and in the new Administration to focus on the problems facing agriculture, and to complete the FAIR Act's unfinished agenda. We will do our utmost to support these initiatives in the months ahead because we believe that agriculture's long-term competitiveness and prosperity are integrally tied to expanded trade opportunities, enhanced demand for agricultural products, increased research, and tax as well as regulatory relief.

However, it must be recognized that, even if major progress is made in the near future, these efforts must be viewed as long-term investments. It will be years before the economic and trade environment for America's farmers and ranchers is substantially improved. As a result, we must approach writing the next farm bill with the assumption that conditions during the next several years could remain much as they are today.

Policy Assumptions

In developing specific recommendations on domestic farm policy, oilseed producer organizations have determined that key elements of the FAIR Act should be maintained in the next farm bill. These include full and unrestricted planting flexibility, continuation of non-recourse marketing loans, no statutory authority to impose acreage reduction programs or set-asides, and no authority to establish government or farmer-owned reserves for oilseeds. Providing these elements are continued, we support providing programs for oilseed producers that are equitable with programs provided to other major crops.

In the event Production Flexibility Contracts are renewed or AMTA-type payments are continued, oilseeds should be included based on their value relative to other crops. If

Congress decides to replace annual economic assistance payments with a counter-cyclical income support program, oilseeds must be treated equitably.

In addition, oilseed producer organizations oppose any limitations on marketing loan benefits, fixed income payments, or any counter-cyclical income support payments. These restrictions only thwart the purpose of these programs to support producer income in years of low prices.

I would now like to provide a detailed description of our recommendations on the various components of a domestic farm program for major commodities. I will then summarize analysis on the impacts these recommendations could have on production, government payments, and international trade obligations.

Marketing Loan Program

Oilseed producer organizations support maintaining current oilseed loan rates for 2002 crops, and setting these rates as floors rather than ceilings under the next farm bill. The formula for adjusting loan levels to 85 percent of Olympic average prices in the previous five years should be retained. The Secretary should continue to have discretion to set loan levels between the floor and the level indicated by the formula when prices warrant.

Loans should continue to be non-recourse, allowing producers to forfeit their crops in full repayment of loan principal and accrued interest. Non-recourse loans ensure that the program will operate to achieve its objectives of minimizing forfeitures and storage costs and allowing commodities to be marketed freely and competitively. These goals are achieved only when the loan repayment rate is set at levels that clear local market prices. If the combined local cash price and prospective marketing loan gain or Loan Deficiency Payment does not exceed the value of the loan, including interest, producers have an incentive to forfeit. Since the program is intended to minimize forfeitures, the non-recourse nature of the current loan program helps ensure its proper administration.

Speaking specifically on behalf of ASA, we do not believe the current national average soybean loan rate of \$5.26 per bushel has been responsible for most of the expansion in U.S. soybean acreage since enactment of the FAIR Act. Soybean production has increased from 64 million acres in 1995 to an estimated 75.5 million acres in 2001. Of this 11.5 million acre increase, eight million acres were added in 1996, 1997, and 1998. Soybean prices were well above loan level for the 1996 and 1997 crops, and it was not known they would be below loan in 1998 until well after that year's crop was planted.

ASA attributes most of the growth in soybean acreage under the FAIR Act – particularly in the early years – to four factors. First, the incentive to build bases for program crops under previous farm bills had created tremendous pressure to exclude soybeans and other non-program crops from rotations. Introduction of unrestricted planting flexibility and decoupled income support payments released this pressure, allowing producers to move

part of their acreage out of crops that were being produced as much for the government as the market, and to achieve a more agronomically optimum crop rotation.

A second factor was the relatively high soybean prices between 1995 and 1997. The season average price received by farmers for the 1995 crop was \$7.35 per bushel. Prices then fell to an average \$6.45 per bushel for the 1996 crop and \$5.35 per bushel for the 1997 crop. Still, compared to prices for other commodities that compete with soybeans for acreage, these were attractive values.

Third, new soybean varieties have been developed in maturity groups that are far better suited for northern and western climates than ever before. In crop year 2000, virtually all of the expansion in soybean plantings occurred in the northern and western states of North and South Dakota, Minnesota, Wisconsin, Michigan, Nebraska, and Kansas.

A fourth factor in expanded acreage for all oilseeds in recent years has been the prevalence of scab and other diseases affecting wheat and other crops. In major wheat states such as North Dakota, moving out of wheat production has been the only way to avoid reoccurrence of scab. Higher rainfall and late frosts in the North Central region has enabled this trend to continue in recent years.

With regard to the 2001 planting season, other factors may influence increases in soybean plantings in place of corn. High costs or limited availability of natural gas and fertilizer have offset recent improvement in corn prices in the last two years. Also, the continuing disruption of foreign and domestic U.S. corn markets resulting from the Starlink debacle may be contributing to this year's expected decline in corn plantings.

A final consideration that supports maintaining the \$5.26 soybean loan rate is the supply and demand situation for various crops. Carryover stocks of soybeans this Fall are expected to total 330 million bushels, about 12 percent of current domestic and export use. By comparison, corn stocks are projected at about 20 percent of use, and wheat supplies will be 32 percent of use. Assuming farm policies continue to encourage full production, reducing the soybean loan rate would likely increase production of crops that are already in greater surplus.

With regard to loan repayment rates, oilseed producer organizations support requiring oilseed loans to be repaid at the lower of the Posted County Price (PCP) or an Adjusted World Price (AWP). The AWP would be set on a weekly basis in reference to prices of U.S. and competitor oilseeds delivered at major foreign markets, including freight costs. Using this approach, the AWP for soybeans in St. Louis County, Missouri, would have been lower than the PCP on an estimated 42 trading days during the year 2000, primarily during Fall harvest. On these days, the AWP-PCP differential ranged as high as 37 cents per bushel.

The purpose of using an Adjusted World Price is to ensure that U.S. oilseeds and oilseed products are competitive in both foreign and domestic markets under the next farm bill. The Posted County Prices currently used to determine loan repayment rates are based on terminal prices that do not necessarily reflect world prices. The FAIR Act and previous farm bills provide broad discretion for setting repayment rates at levels that minimize crop forfeiture and interest cost as well as allowing crops to be marketed freely and competitively. As a result, U.S. crops are marketed at prices that reflect the domestic market, but not overseas markets. Basing loan repayment on values that directly reflect prices of U.S. competitors in foreign oilseed markets would address this situation.

Adjusted World Prices have been used to determine repayment rates under the cotton and rice marketing loan programs since 1985.

Oilseed producer groups are concerned that the high value of the U.S. Dollar relative to currencies of our competitors is very negatively affecting export competitiveness. We believe using an Adjusted World Price for loan repayment would help offset some of the competitive disadvantages currently facing U.S. oilseed producers.

According to analysis using CBO assumptions, the cost of using an Adjusted World Price for repayment of soybean marketing loans between 2002 and 2008 would total \$174 million.

PFC (AMTA) Payments

Oilseeds are not included in the formula for determining payments under Production Flexibility Contracts (PFCs). Oilseeds were grown on 31 percent of row crop acreage last year, and the percentage is likely to rise in 2001. Soybeans are the second largest crop in planted acreage, and could be the highest in harvested acreage this year. In addition, soybeans and soybean products are our Nation's most valuable export commodity. However, while oilseeds are among the most valuable crops produced in the United States, they do not receive income support. Our organizations strongly support including oilseeds in an expanded PFC program in the next farm bill.

Specifically, we ask that baseline annual funding of \$4.008 billion provided for PFC payments after 2002 be increased to \$5.7 billion, with the additional amount distributed to farms that produced oilseeds during the 1997 to 2001 period. USDA data indicate that, during 1996-1999, soybeans averaged 28.5 percent and other oilseeds averaged 1.2 percent of the \$53 billion value of crops that would be included under an expanded PFC program (see attachment). Accordingly, annual soybean PFC payments would total \$1.624 billion and payments for other oilseeds would total \$68 million. The increase in PFC payments reflects the oilseed share (29.7 percent) of \$5.7 billion.

Oilseed PFC payments should be distributed based on a farm's acreage and yield for each oilseed produced in any single year during the 1997-2001 period, at the choice of the

producer. As under the current PFC program, oilseed payments would be transferable with the acres on which they were produced in the selected year.

We do not propose changing the current formula or base period for distributing PFC payments for other crops. We recognize that, unless a common base period is used, an oilseed payment could be made on the same acres on a farm on which an PFC payment is already made. However, we believe this situation is preferable to “backdating” oilseed payments to reflect obsolete production data in the early 1990’s, or “updating” payments for other crops that have lost acreage under the FAIR Act and would receive reduced PFC support.

Counter-Cyclical Income Support

Oilseed producer organizations support replacing ad hoc emergency economic assistance payments, which have included an oilseed payment, with a counter-cyclical income support program. After three years of improvisation, farmers and their lenders need longer-term assurances that a safety net is in place to protect against low prices and income.

We propose a program that would offset any shortfall in the national gross return per acre for a crop from the Olympic average national gross return per acre for the crop during the 1993-1997 period. Gross return per acre is defined as the higher of the season average price or the loan rate for the crop, multiplied by national production, divided by national harvested acreage.

In the case of soybeans, the Olympic average gross return per acre for the 1993-1997 crops is \$238.59 (see attachment). Using the 2000 soybean crop for illustration purposes, the loan rate of \$5.26 per bushel (which was higher than the season average price) multiplied by production of 2.77 billion bushels equals \$14.57 billion. Dividing this amount by harvested acreage of 72.7 million acres, the average gross return per acre for 2000 crop soybeans was \$200.42. The shortfall from the 1993-1997 average of \$238.59 is \$38.17 per acre.

We would propose providing payments to producers equal to the shortfall in a crop’s return per acre on 85 percent of harvested acres in the current year. In the example just cited, if a producer harvested 500 acres of soybeans in 2000, he or she would receive the \$38.17 per acre payment on 425 acres, or \$16,222. Payments based on USDA estimates for season average prices and national production and acreage in the current year would be made as producers document their harvested acres.

The concept of compensating producers for low income based on acres complements the marketing loan program, under which benefits are tied to actual production. It also offsets a perennial shortcoming in the federal crop insurance program. Every year, many producers experience below-average yields, but not low enough to qualify for crop

insurance coverage. This gap in income support would be at least partially offset by providing payments on harvested acres.

Providing the counter-cyclical payment on 85 percent of a producer's harvested acres serves two purposes. First, the program should not fully compensate reduced income from the 1993-1997 period, which included several years of historically high prices. Second, in our view, a case can be made that this proposal should not count against U.S. commitments to reduce trade-distorting domestic support in the WTO. We believe paying producers on 85 percent of their acreage should result in this program being classified in the blue box, currently exempt from discipline under the Uruguay Round Agreement.

We recognize there are major differences in return per acre for different crops in different states and regions of the country. We are continuing to analyze this counter-cyclical program concept, and hope to obtain and provide information to the Committee on how it would apply on a state as well as a national basis.

Farm Program Analysis

The balance of my statement comprises a summary of analysis we have completed on the farm program we are recommending to the Committee. This analysis has been performed by AgriLogic, Inc., of College Station, Texas. In order to provide information comparable to the December 2000 baseline analysis prepared by the Congressional Budget Office (CBO), we asked AgriLogic to conform the assumptions in its macroeconomic model to reflect those used by CBO.

Using CBO assumptions, direct payments to producers under ASA's recommended policies average \$10.4 billion over the 2002 to 2008 period. As indicated on the attached summary comparison report prepared by AgriLogic, soybeans receive \$5.7 billion – just over half of average payments. Returns above variable costs increase for all commodities under the proposal.

In our view, the CBO baseline is highly pessimistic regarding the outlook for soybean prices and relatively optimistic regarding prices for other commodities. For soybeans, CBO does not project prices to rise above the loan rate of \$5.26 per bushel until the 2006 crop. By comparison, CBO expects corn, wheat and cotton prices to remain above the loan rates for these crops throughout the baseline period. As a result of these assumptions, the cost of maintaining current loan rates is largely attributed to soybeans.

Similarly, CBO's price assumptions have the effect of increasing the projected cost of our counter-cyclical proposal for soybeans and reducing outlays for other crops. Corn prices never fall below the 1993-1997 benchmark. Wheat, cotton, rice and sorghum receive substantial support, although not to the extent of soybeans.

In contrast, the more conservative assumptions in AgriLogic's econometric model show all commodities receiving counter-cyclical payments in 2002. Average annual payments total \$11.7 billion, with the increase reflected in higher costs for cotton and rice support. Average payments for soybeans are little changed under the AgriLogic model.

While CBO's baseline numbers are required to be used by Congress in developing farm legislation, we would urge the Committee and others to also use a policy "gut check" in reviewing their projections. If a set of proposed programs appear balanced between commodities in terms of potential support, they probably are, regardless of the cost assigned to them.

The oilseed producer organizations approached this task with the goal of developing a balanced set of proposals. We believe we have achieved this goal. With unrestricted planting flexibility almost certain to be continued in the next Farm Bill, there is no reason for any commodity to seek a disproportionate share of government support. The consequences would be overproduction, even lower prices than we have today, and substantial market distortions. Oilseed producers do not want to see these consequences for our crops.

With regard to the livestock sector, AgriLogic's analysis indicated our proposal would have minimal impact on production or prices. Average hog prices decline 3.9 percent as reduced soybean meal and feed costs result in increased hog production.

Outlays under U.S. AMS Commitment

Costs under programs considered trade distorting under the WTO would remain below the \$19.1 billion Aggregate Measure of Support (AMS) level established under the Uruguay Round Agreement. AMS-related outlays for other support programs -- primarily dairy, sugar, peanuts, and cotton -- have averaged \$6.2 billion in recent years. Under our proposal, the cost of the marketing loan program reaches \$4.7 billion in 2003, and declines to less than \$100 million by 2008. In the event our counter-cyclical proposal is classified as an amber box policy, the highest combined outlays for both the marketing loan and the counter-cyclical programs total \$8.3 billion in 2002. Added to average AMS outlays for other commodities, the total would reach \$14.5 billion, still below the current U.S. commitment.

Other Farm Bill Priorities

Mr. Chairman, this concludes our summary of the analysis performed on our farm program recommendations. Before completing my statement, I would note that annual CCC outlays using CBO and AgriLogic assumptions are well below some of the other proposals submitted to the Committee. This was a deliberate choice on our part, recognizing there are other important priorities that need to be addressed in the next Farm Bill.

Speaking specifically for ASA, I would like to identify several of these priorities. ASA has endorsed the Conservation Security Act, introduced in the House by Representative Emerson and in the Senate by Senator Harkin last year. ASA also supports a significant increase in funding for agricultural research in the next Farm Bill. Specifically, we request annual funding of \$1.5 billion for conservation payments and \$1.0 billion for research.

Additionally, ASA supports increased funding of export, market development, and food aid programs that are critical to expanding demand and improving prices. ASA recommends that the Foreign Market Development (Cooperator) program be authorized at a minimum of \$43.25 million per year. This would restore the level of market development funding provided to U.S. agriculture, after adjustment for global inflation and exchange rate movements, to the same level provided by Congress in 1986. ASA also recommends that the Market Access Program (MAP) be authorized at a minimum of \$200 million. Finally, ASA recommends that funding for P.L. 480 be substantially increased to at least the level of \$2.2 billion provided in 1985.

To address the continuing and increasing market access, regulatory, and marketing issues facing U.S. agriculture in agricultural biotechnology trade, ASA recommends establishment of a new "Biotechnology and Agricultural Trade" (BAT) program. Under this program, funds would be authorized for activities in three broad areas, as follows:

- a) Funds for agricultural market development organizations representing farmers and ranchers to carry out education and marketing efforts in foreign markets to positively influence the environment surrounding agricultural biotechnology;
- b) Increased funding for U.S. Government programs that inform foreign government officials and others about the U.S. approach to biotechnology, through U.S. missions to foreign countries and by hosting foreign groups to the United States; and,
- c) Increased FAS personnel to address the many issues affecting trade in biotechnology.

Conclusion

That concludes my statement, Mr. Chairman. I want to again thank you for convening these important hearings, and for inviting oilseed producer organizations to testify. Mr. Curtis and I will be glad to respond to questions.

MARKET VALUE OF PRODUCTION

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>Average</u>	<u>Average %</u>
	(-----million dollars-----)					
Wheat	9,782	8,287	6,781	5,702	7,638	14.4
Corn	25,149	22,352	18,922	17,164	20,897	39.4
Sorghum	1,986	1,409	905	934	1,309	2.5
Barley	1,081	862	687	597	807	1.5
Oats	314	273	200	164	238	0.4
Upland Cotton	6,125	5,709	3,924	3,520	4,820	9.1
Rice	1,690	1,756	1,687	1,222	1,589	3.0
Soybeans	17,440	17,373	13,494	12,184	15,123	28.5
Other Oilseeds	562	599	801	551	628	1.2
Total	64,135	58,628	47,410	42,044	53,056	100.0

**OLYMPIC AVERAGE GROSS RETURN PER ACRE FOR SOYBEANS
CROP YEARS 1993-1997**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1993-97</u>
Season Average Price	\$6.40	\$5.48	\$6.72	\$7.35	\$6.47	
Production (billion bus.)	1.87	2.51	2.17	2.38	2.69	
Value of Production	\$12.0	\$13.8	\$14.6	\$17.5	\$17.4	
Harvested Acreage	57.3	60.8	61.5	63.3	69.1	
Gross Revenue Per Acre	\$208.81 (low)	\$226.64	\$237.41	\$276.17 (high)	\$251.72	\$238.59

Selected Direct Payments by Commodity

CBO Baseline with ASA Proposal

LDP's

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Corn	2,912.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grain sorghum	103.9	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barley	84.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat	697.5	265.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Soybeans	2,290.2	3,761.4	4,461.2	4,661.2	4,153.4	3,294.4	1,742.6	167.2	0.0
Upland cotton	65.3	60.9	4.8	0.0	0.0	0.0	0.0	1.4	85.6
Rice	99.9	88.6	44.7	32.4	0.0	0.0	0.0	0.0	0.0
Total:	6,265.7	4,184.6	4,510.7	4,693.6	4,153.4	3,294.4	1,742.6	168.6	85.6

AMTA

Corn	2,371.1	1,908.9	1,315.3	1,854.1	1,854.1	1,854.1	1,854.1	1,854.1	1,854.1
Grain sorghum	262.1	211.0	145.4	205.0	205.0	205.0	205.0	205.0	205.0
Barley	110.8	89.2	61.5	86.7	86.7	86.7	86.7	86.7	86.7
Oats	7.7	6.2	4.3	6.0	6.0	6.0	6.0	6.0	6.0
Wheat	1,347.1	1,084.5	747.3	1,053.4	1,053.4	1,053.4	1,053.4	1,053.4	1,053.4
Soybeans	0.0	0.0	1,162.3	1,638.5	1,638.5	1,638.5	1,638.5	1,638.5	1,638.5
Upland cotton	596.6	480.3	331.0	466.5	466.5	466.5	466.5	466.5	466.5
Rice	434.5	349.8	241.0	339.8	339.8	339.8	339.8	339.8	339.8
Total:	5,130.0	4,130.0	4,008.0	5,650.0	5,650.0	5,650.0	5,650.0	5,650.0	5,650.0

Counter Cyclical

Corn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grain sorghum	0.0	0.0	153.6	150.8	101.5	101.5	83.9	40.6	0.0
Barley	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat	0.0	0.0	852.5	512.6	428.3	148.5	7.3	0.0	0.0
Soybeans	0.0	0.0	1699.2	1615.4	1485.1	1360.1	1229.7	510.6	0.0
Upland cotton	0.0	0.0	765.7	497.3	512.8	525.5	584.1	610.7	655.5
Rice	0.0	0.0	288.4	267.6	248.6	238.1	201.1	201.2	214.7
Total:	0.0	0.0	3,759.4	3,043.6	2,776.3	2,373.7	2,105.9	1,363.1	870.2

Total Direct Costs	11,395.7	8,314.6	12,278.0	13,387.2	12,579.8	11,318.2	9,498.5	7,181.7	6,605.7
--------------------	----------	---------	----------	----------	----------	----------	---------	---------	---------

Comparison Summary Report -- 2002-2008 Average

	CBO Baseline with ASA Proposal	AgriLogic Baseline with ASA Proposal	AgriLogic Baseline	CBO Baseline
Government Cost				
Direct Payments (million dollars)	\$10,407	\$11,697	\$5,260	\$5,403
Total CCC Net Outlays (million dollars)	\$13,561	\$14,851	\$8,413	\$8,557
Effect on other commodities				
Net Farm Income (billion dollars)	\$57.5	\$57.0	\$53.1	\$54.5
Direct Payments (million dollars)				
Corn	\$1,854.1	\$1,946.9	\$1,852.5	\$1,852.5
Grain Sorghum	\$300.6	\$289.4	\$204.8	\$204.8
Barley	\$86.7	\$86.7	\$86.6	\$86.6
Oats	\$6.0	\$6.0	\$6.0	\$6.0
Wheat	\$1,272.8	\$1,127.1	\$1,052.5	\$1,052.5
Soybeans	\$5,682.5	\$5,823.7	\$675.7	\$1,336.5
Cotton	\$1,012.9	\$1,921.1	\$1,011.2	\$471.6
Rice	\$577.6	\$544.4	\$356.4	\$347.1
Net Returns (excl. Govt Payments)				
Corn	\$192.74	\$165.88	\$161.13	\$187.93
Grain Sorghum	\$57.58	\$58.37	\$57.70	\$56.76
Barley	\$79.24	\$66.63	\$64.45	\$77.01
Oats	\$11.37	\$3.85	\$2.53	\$10.02
Wheat	\$75.17	\$79.39	\$77.65	\$73.42
Soybeans	\$106.65	\$107.99	\$137.50	\$129.87
Cotton	\$125.41	\$84.59	\$76.66	\$117.41
Rice	\$14.04	\$26.33	\$13.94	\$12.16
Government Payments				
Corn	\$37.16	\$38.34	\$37.13	\$37.13
Grain Sorghum	\$31.76	\$31.10	\$21.72	\$21.72
Barley	\$12.62	\$12.62	\$12.60	\$12.60
Oats	\$1.66	\$1.66	\$1.66	\$1.66
Wheat	\$22.96	\$20.67	\$19.50	\$19.50
Soybeans	\$78.64	\$78.91	\$9.14	\$18.59
Cotton	\$78.19	\$145.21	\$80.62	\$40.88
Rice	\$202.48	\$192.36	\$131.87	\$128.84
Returns Above Variable Costs				
Corn	\$229.90	\$204.23	\$198.25	\$225.06
Grain Sorghum	\$89.34	\$89.47	\$79.42	\$78.48
Barley	\$91.86	\$79.25	\$77.06	\$89.62
Oats	\$13.03	\$5.52	\$4.19	\$11.68
Wheat	\$98.14	\$100.06	\$97.15	\$92.91
Soybeans	\$185.29	\$186.90	\$146.64	\$148.46
Cotton	\$203.60	\$229.80	\$157.28	\$158.29
Rice	\$216.52	\$218.68	\$145.81	\$141.00
Production of Livestock				
Beef Cow Herd	35772	35876	35915	35822
Sows Farrowing	6494	6539	6545	6502
Dairy Cow Herd	23956	24097	24097	23965
Broiler Production	4867	4898	4915	4887
Turkey Production	1635	1744	1736	1634
Egg Production	9770	9938	9926	9766
Prices of Livestock				
Fed Steer Price	\$70.13	\$69.76	\$69.98	\$70.35
Barrow and Gilts Price	\$40.55	\$38.65	\$40.27	\$42.18
All Milk Price	\$12.56	\$12.51	\$12.57	\$12.62
Retail Price of Whole Fryers	\$89.30	\$88.71	\$89.21	\$89.80
Turkeys Farm Price	\$39.84	\$39.84	\$39.84	\$39.84
Eggs Farm Price	\$62.45	\$62.13	\$62.36	\$62.68